the operator has taken up appraisal of the discovery for establishing commercially.

Gas production from the discovery will depend on its commercially & subsequent development plan.

(c) The longevity of reserves can not be estimated prior to completion of the appraisal.

Black-Marketing of LPG Cylinders

706. SHRI S.S. AHLUWALIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that consumers across the country suffered in the recent past from acute scarcity of LPG refills leading to its black-marketing in various parts;

(b) the reasons for the scarcity, including month-wise details of demand and supply since January, 2004;

(c) the action taken, if any against LPG supply and distribution agencies against whom complaints of misappropriation or misuse have been lodged/ detected;

(d) whether it is fact that scarcity in LPG supply of this magnitude re-surfaced on this occasion for the first time in the last seven years; and

(e) the steps contemplated, if any, by Government to prevent its recurrence?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a), (d) and (e) Demand for LPG in the country is met by a combination of domestic production and imports. A temporary shortage of LPG emerged in September 2005 when Reliance Industries Ltd. (RIL), the single largest domestic supplier of LPG, announced a shut down of their Fluidized Catalytic Cracker (FCC) unit at Jamnagar for maintenance work with effect from October 2005, at just about the time global LPG supplies became tight, domestic production was affected by the fire at Mumbai High and partly on account of the impact of Hurricane Katrina on US refineries. This upset the plans made by our Oil Marketing Companies (OMCs) to effect imports in time to offset the anticipated shortage in supplies on account of the RIL shut down.

Further rumours in the market that OMCs would not be able to meet the demand led to a sudden spurt in demand. There was also a strike in bottling plants in the National Capital Territory (NCT) area towards the end of September, 2005 which aggravated the situation. The Ministry took matters in hand early in October, 2005 when it was decided that through a combination of inventory management and imports, directly handled by a composite task force of the OMCs under the close supervision of the Government, physical shortages of supply would be overcome as quickly as possible. It was also decided that bottling plants in the NCT area would work on Sunday, 9th October 2005 and other holidays. On the basis of these decisions, it was announced that the physical shortage in the NCT area would end by Dusshera and substantively in the rest of the country by Deepavali. These objectives have been largely achieved. In addition to the arrangements made earlier by OMCs to import 642 Thousand Metric Tonnes (TMT) of LPG during the period October-December 2005, arrangements have been made to import an additional quantity of 237.9 TMT during this period, 116 TMT of which has already reached the country. Thus, the overall physical shortage in the country at present has been reduced to only about 1.5% of the average monthly consumption of LPG. However, the backlog at the micro-level may vary from market to market on account of operational reasons. The situation is expected to normalise further by the end of November, 2005 on the restoration of production in RIL's refinery. Moreover, while OMCs are striving to ensure supplies to distributors in accordance with the registered customer strength of the distributor, the active cooperation of State Governments is required to cap, reduce and eventually eliminate the diversion of domestic LPG to the black market and unauthorized use which takes place on account of the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG. The Union Government in the Ministry of Petroleum and Natural Gas has alerted State Governments to the imperative need to curtail diversion and other malpractices by enforcing the control orders issued under the Essential Commodities Act, 1955. OMCs have also been directed to ensure adherence to Marketing Discipline Guidelines, 2001.

(b) OMCs market LPG in various parts of the country as per the requirements. The month-wise details of LPG sales during the period January 2004-October 2005 is given in the enclosed Statement (*See* below).

(c) During the period April-October 2005, OMCs have conducted 7461

refill audits against their distributors for detecting diversion of domestic LPG cylinders. In these audits, 266 LPG distributors have been found to be involved in diversion. Penal action has been taken against all the erring distributors in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

Statement

Month-wise details of LPG sale by OMCs from January 2004 to October 2005.

Sl. No.	Month	Sale of LPG (Figures in TMT)
1.	January 2004	868
2.	February 2004	810
3.	March 2004	809
4.	April 2004	766
5.	May 2004	795
6.	June 2004	764
7.	July 2004	804
8.	August 2004	809
9.	September 2004	825
10.	October 2004	838
11.	November 2004	842
12.	December 2004	901
13.	January 2005	880
14.	February 2005	855
15.	March 2005	841
16.	April 2005	785
17.	May 2005	777
18.	June 2005	767
19.	July 2005	810
20.	August 2005	835
21.	September 2005	801
22.	October 2005	861